

September 3, 2003 Commission Meeting Summary

ITEM

1. **Public Comment.** *The Commission received public comments from three individuals.*

CONSENT ITEMS

2. **Approval of the Minutes of the August 11, 2003, Commission Meeting.** *Approved.*

ENFORCEMENT

Campaign Money Laundering Violations - Default

3. **In the Matter of Colin Flaherty, FPPC No. 99/783.** Staff: Senior Commission Counsel Deanne Canar and Supervising Investigator Dennis Pellón. Respondent Colin Flaherty, the owner of Flaherty Communications, a public relations firm formerly located in San Diego and Encinitas, engaged in a pattern of campaign money laundering, and campaign non-disclosure, by making campaign contributions in names other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code (36 counts), and by failing to file two major donor committee campaign statements, in violation of section 84200, subdivision (b) of the Government Code (2 counts). *Approved; \$76,000 fine.*

Campaign Reporting Violations

4. **In the Matter of AFL-CIO No On 226 Education Fund; and Frances Arlene Holt-Baker; FPPC No. 00/377.** Staff: Commission Counsel Bill Williams and Accounting Specialist Bill Marland. Respondent Committee was a primarily formed ballot measure committee, sponsored by the AFL-CIO. Respondent Arlene Holt-Baker was the treasurer for Respondent Committee. Respondents failed to report required information regarding campaign expenditures, in violation of Section 84211 (3 counts). Respondents made cash expenditures of more than \$100 or more, in violation Section 84300 (3 counts). *Approved; \$8,000 fine.*
5. **In the Matter of Paul F. Glenn; FPPC No. 02/705.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Paul F. Glenn is a resident of Santa Barbara, California. Respondent failed to disclose a late contribution in a properly filed late contribution report, in violation of Section 84203, subdivision (a) (1 count). *Approved; \$3,500 fine.*

SEI Violations

6. **In the Matter of Frederick Kosmo, FPPC No. 02/234.** Staff: Commission Counsel Jeffery A. Sly and SEI Coordinator Mary Ann Kvasager. Respondent Frederick Kosmo, a member

of the California Apple Commission, failed to timely file an assuming office statement of economic interests, in violation of Government Code section 87300 (1 count). ***Approved; \$600 fine.***

7. **In the Matter of Thomas Janzen, FPPC No. 02/457.** Staff: Commission Counsel Jeffery A. Sly and SEI Coordinator Mary Ann Kvasager. Thomas Janzen, a member of the Planning Commission for the City of Sierra Madre, failed to timely file a 2001 annual statement of economic interests, in violation of Government Code section 87203 (1 count). ***Approved; \$700 fine.***
8. **In the Matter of Robert Watrous, FPPC No. 02/549.** Staff: Commission Counsel Jeffery A. Sly and SEI Coordinator Mary Ann Kvasager. Respondent Robert Watrous, a member of the California Board of Registered Nursing, failed to timely file an assuming office and a 2001 annual statement of economic interests, in violation of Government Code section 87300 (2 counts). ***Approved; \$400 fine.***

Major Donor - Streamlined Procedure

9. **Failure to Timely File Major Donor Campaign Statements.** Staff: Chief Investigator Alan Herndon, Investigator III Jon Wroten, and Political Reform Consultant Mary Ann Kvasager. The following persons and entities have entered into stipulations for failing to file major donor campaign statements that were due during the calendar year of 2002, in violation of Government Code Section 84200:
 - a. **In the Matter of Frederick DeMann, FPPC No. 2003-313.** Frederick DeMann of Los Angeles, California failed to timely disclose contributions totaling \$10,000 (1 count). ***Approved; \$400 fine.***
 - b. **In the Matter of Tom & Holly Gores, FPPC No. 2003-319.** Tom & Holly Gores of Santa Rosa, California failed to timely disclose contributions totaling \$25,000 (1 count). ***Approved; \$400 fine.***
 - c. **In the Matter of Moffatt & Nichol Engineers, FPPC No. 2003-322.** Moffatt & Nichol Engineers of Long Beach, California failed to timely disclose contributions totaling \$15,000 (1 count). ***Approved; \$400 fine.***
 - d. **In the Matter of Thomas F. Kelly, FPPC No. 2003-331.** Thomas F. Kelly of Boston, Massachusetts failed to timely disclose contributions totaling \$10,000 (1 count). ***Approved; \$400 fine.***
 - e. **In the Matter of William L. Davis, FPPC No. 2003-332.** William L. Davis of Encino, California failed to timely disclose contributions totaling \$26,000 (1 count). ***Approved; \$400 fine.***
 - f. **In the Matter of Clark E. Parker, FPPC No. 2003-339.** Clark E. Parker of Beverly Hills, California failed to timely disclose contributions totaling \$13,000 (1 count). ***Approved; \$400 fine.***

- g. **In the Matter of American Bioscience, Inc. & Its Affiliate American Pharmaceutical Partners, Inc., FPPC No. 2003-372.** American Bioscience, Inc. & Its Affiliate American Pharmaceutical Partners, Inc. of Santa Monica, California failed to timely disclose contributions totaling \$11,000 (1 count). *Approved; \$400 fine.*
- h. **In the Matter of Scott Brittingham, FPPC No. 2003-378.** Scott Brittingham of Santa Barbara, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- i. **In the Matter of Dave Brooks, FPPC No. 2003-379.** Dave Brooks of Santa Clarita, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- j. **In the Matter of California Housing Consortium, FPPC No. 2003-384.** California Housing Consortium of Culver City, California failed to timely disclose contributions totaling \$25,000 (1 count). *Approved; \$400 fine.*
- k. **In the Matter of Central Health MSO., Inc., FPPC No. 2003-387.** Central Health MSO., Inc. of Covina, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- l. **In the Matter of Cresleigh Homes Corp., FPPC No. 2003-390.** Cresleigh Homes Corp. of San Francisco, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- m. **In the Matter of Electric City of Southern California, FPPC No. 2003-393.** Electric City of Southern California of Redondo Beach, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- n. **In the Matter of Enterprise Rent-A-Car, FPPC No. 2003-394.** Enterprise Rent-A-Car of Gardena, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- o. **In the Matter of Steven J. Goldman, FPPC No. 2003-397.** Steven J. Goldman of Malibu, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- p. **In the Matter of Jeff Haines, FPPC No. 2003-399.** Jeff Haines of Camarillo, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- q. **In the Matter of Marcia Israel-Curley, FPPC No. 2003-402.** Marcia Israel-Curley of Los Angeles, California failed to timely disclose contributions totaling \$11,155 (2 counts). *Approved; \$800 fine.*

- r. **In the Matter of Peter R. Kellogg, FPPC No. 2003-404.** Peter R. Kellogg of New York, New York failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- s. **In the Matter of Peter D. Kiernan, FPPC No. 2003-405.** Peter D. Kiernan of Greenwich, Connecticut failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- t. **In the Matter of L.F.P., Inc., FPPC No. 2003-407.** L.F.P., Inc. of Beverly Hills, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- u. **In the Matter of Charles Theodore Mathews, FPPC No. 2003-410.** Charles Theodore Mathews of Pasadena, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- v. **In the Matter of Michael D. McCarthy, FPPC No. 2003-411.** Michael D. McCarthy of New York, New York failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- w. **In the Matter of Michael & Gail Roback, Michael D. Roback M.D., A Medical Corp., FPPC No. 2003-414.** Michael & Gail Roback, Michael D. Roback M.D., A Medical Corp. of Los Angeles, California failed to timely disclose contributions totaling \$39,733 (2 counts). *Approved; \$800 fine.*
- x. **In the Matter of William Preston Raisin, FPPC No. 2003-421.** William Preston Raisin of San Francisco, California failed to timely disclose contributions totaling \$22,000 (1 count). *Approved; \$400 fine.*
- y. **In the Matter of Mark A. Roe, FPPC No. 2003-424.** Mark A. Roe of Danville, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- z. **In the Matter of Anne M. Roller, FPPC No. 2003-425.** Anne M. Roller of Coto de Caza, California failed to timely disclose contributions totaling \$11,222.84 (1 count). *Approved; \$400 fine.*
- aa. **In the Matter of Trimark Pacific Homes, FPPC No. 2003-430.** Trimark Pacific Homes of Westlake Village, California failed to timely disclose contributions totaling \$12,500 (1 count). *Approved; \$400 fine.*
- bb. **In the Matter of Stephen A. Wynn, FPPC No. 2003-436.** Stephen A. Wynn of Las Vegas, Nevada failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*

- cc. **In the Matter of Denis McMahon, FPPC No. 2003-454.** Denis McMahon of San Francisco, California failed to timely disclose contributions totaling \$25,500 (1 count). *Approved; \$400 fine.*
- dd. **In the Matter of Ravano & Cooney, FPPC No. 2003-456.** Ravano & Cooney of San Rafael, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- ee. **In the Matter of 11 Haight Street, FPPC No. 2003-458.** 11 Haight Street of Burlingame, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- ff. **In the Matter of Coyne Development Company, FPPC No. 2003-461.** Coyne Development Company of San Francisco, California failed to timely disclose contributions totaling \$29,250 (1 count). *Approved; \$692.50 fine.*
- gg. **In the Matter of Las Casitas Seventeenth Street, LLC, FPPC No. 2003-463.** Las Casitas Seventeenth Street, LLC of San Mateo, California failed to timely disclose contributions totaling \$24,500 (1 count). *Approved; \$400 fine.*
- hh. **In the Matter of Lofts at 712 Bryant Street, LLC & Affiliated Entity South Park Lofts, LLC, FPPC No. 2003-464.** Lofts at 712 Bryant Street, LLC & Affiliated Entity South Park Lofts, LLC of San Francisco, California failed to timely disclose contributions totaling \$28,000 (1 count). *Approved; \$680 fine.*
- ii. **In the Matter of Village Builders 98 & Affiliated Entities, FPPC No. 2003-468.** Village Builders 98 & Affiliated Entities of San Francisco, California failed to timely disclose contributions totaling \$25,000 (1 count). *Approved; \$400 fine.*
- jj. **In the Matter of Tom Murphy & Affiliated Entities, FPPC No. 2003-469.** Tom Murphy & Affiliated Entities of San Francisco, California failed to timely disclose contributions totaling \$39,250 (1 count). *Approved; \$792.50 fine.*
- kk. **In the Matter of 1050 17th Street, LLC & Affiliated Entities, FPPC No. 2003-470.** 1050 17th Street, LLC & Affiliated Entities of San Francisco, California failed to timely disclose contributions totaling \$33,250 (1 count). *Approved; \$732.50 fine.*
- ll. **In the Matter of Allen, Curtis, Eisenberger & Affiliated Entities, FPPC No. 2003-471.** Allen, Curtis, Eisenberger & Affiliated Entities of San Francisco, California failed to timely disclose contributions totaling \$32,250 (1 count). *Approved; \$722.50 fine.*
- mm. **In the Matter of W. Charles Chastain, FPPC No. 2003-489.** W. Charles Chastain of Santa Monica, California failed to timely disclose contributions totaling \$11,396 (1 count). *Approved; \$800 fine.*

- nn. In the Matter of Enxco Service Corp, FPPC No. 2003-491.** Enxco Service Corp of N. Palm Springs, California failed to timely disclose contributions totaling \$15,000 (1 count). *Approved; \$400 fine.*
- oo. In the Matter of Parking Company of America Management, LLC, FPPC No. 2003-494.** Parking Company of America Management, LLC of Downey, California failed to timely disclose contributions totaling \$26,000 (2 counts). *Approved; \$1,600 fine.*

10. Failure to Timely File Major Donor Campaign Statements. Staff: Chief Investigator Alan Herndon, Investigator III Jon Wroten, and Political Reform Consultant Mary Ann Kvasager. The following persons and entities have entered into stipulations for failing to file major donor campaign statements that were due during the calendar year of 2002, in violation of Government Code Section 84200, and failing to electronically file major donor statements for the calendar year 2002, in violation of Government Code Section 84605:

- a. In the Matter of Helen Lho, FPPC No. 2003-408.** Helen Lho of Beverly Hills, California failed to timely disclose contributions totaling \$50,000 (1 count). *Approved; \$900 fine.*
- b. In the Matter of Network Management Group, FPPC No. 2003-416.** Network Management Group of Monterey Park, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*
- c. In the Matter of Felim O'Reilly & Affiliated Entities, FPPC No. 2003-455.** Felim O'Reilly & Affiliated Entities of San Francisco, California failed to timely disclose contributions totaling \$52,250 (1 count). *Approved; \$922.50 fine.*
- d. In the Matter of UMB Corporation, FPPC No. 2003-457.** UMB Corporation of San Francisco, California failed to timely disclose contributions totaling \$50,400 (1 count). *Approved; \$904 fine.*
- e. In the Matter of AF Evans Company, Inc., FPPC No. 2003-460.** AF Evans Company, Inc. of Oakland, California failed to timely disclose contributions totaling \$51,750 (1 count). *Approved; \$917.50 fine.*
- f. In the Matter of Joe Imbelloni & Affiliated Entities, FPPC No. 2003-462.** Joe Imbelloni & Affiliated Entities of San Francisco, California failed to timely disclose contributions totaling \$54,750 (1 count). *Approved; \$947.50 fine.*
- g. In the Matter of Matthew Murphy, FPPC No. 2003-465.** Matthew Murphy of San Francisco, California failed to timely disclose contributions totaling \$50,500 (1 count). *Approved; \$905 fine.*
- h. In the Matter of James G. Nunemacher, FPPC No. 2003-466.** James G. Nunemacher of San Francisco, California failed to timely disclose contributions totaling \$52,750 (1 count). *Approved; \$927.50 fine.*

LEGAL MATTERS

Pre-Notice Discussion

- 11. Pre-Notice Discussion of Regulation 18728.5 and Amendment of Regulation 18703.3 – Definition and Reporting of Incentive Compensation.** Staff: Commission Counsel Holly B. Armstrong. This regulation proposes a new regulation 18728.5 and amendment of regulation 18703.3 to address defining and reporting of incentive compensation as discussed by the Commission in its deliberations of *In re Hanko*. The Commission is asked to consider new regulation 18728.5 dealing with the reporting of both commission income and incentive compensation and amendment of regulation 18703.3 to incorporate a definition of “incentive compensation.” *The Commission directed the staff to prepare revised language for consideration in October.*

Adoption

- 12. Adoption of Proposed Regulation 18709 (Formerly Regulation 18702.6) - Segmentation Rules.** Staff: Commission Counsel Natalie Bocanegra. The proposed regulation codifies long-standing Commission advice regarding the “segmentation process.” By applying this process, a public official with a conflict of interest in a particular decision can segregate that decision from other related decisions and therefore participate in those related decisions. This language details the procedure that may be applied in such circumstances while also clarifying when decisions are “inextricably interrelated,” and, therefore, the segmentation process cannot be used. Additionally, a special rule for certain budget and general plan decisions is proposed for codification. *Adopted.*
- 13. Annual Technical Clean-up Packet: Adoption of Proposed Amendments to Regulations 18320, 18321, 18361, 18370, 18419, 18420, 18703.1 and 18747.** Staff: Legal Analyst Kelly L. Winsor and Assistant General Counsel John W. Wallace. Staff presents for adoption conforming, non-substantive amendments to several regulations. *Adopted with minor revision to regulation 18419.*

Approval of Forms and Manuals

- 14. September 2003 Work Plan Revisions.** Staff: Assistant General Counsel John W. Wallace and General Counsel Luisa Menchaca. Revisions to the Commission's regulatory and special projects calendar are proposed. The Commission reviews the work plan on a quarterly basis. *Approved. The Commission directed the staff to address public requests for amendments to regulations 18901 and 18116 at the October meeting.*

DISCUSSION ITEMS

- 15. Legislative Report.** Staff: Executive Director Mark Krausse. *Submitted without discussion.*

16. Executive Director's Report. Staff: Executive Director Mark Krausse. *Submitted without discussion.*

17. Litigation Report. Staff: General Counsel Luisa Menchaca and Senior Commission Counsel Larry Woodlock. *Submitted without discussion.*